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PUBLIC 481 An Act to Ensure Continued Reporting of Tax Incentive Recipients

LD 1834

Sponsor(s)Committee ReportAmendments AdoptedGAGNONOTP-AMS-408

Public Law 2001, chapter 481 repeals the Economic Development Incentive Commission, removes the August 1, 2002 sunset date for business and agency reporting regarding economic development incentives and clarifies that the reporting requirements apply to businesses that are not employers.

PUBLIC 496 EMERGENCY An Act to Enable the State to Enter into an Agreement with Other States to Simplify and Modernize Sales and Use Tax Administration

LD 1872

Sponsor(s)Committee ReportAmendments AdoptedGAGNONOTP

Public Law 2001, chapter 496 authorizes the State Tax Assessor to enter into an agreement with other states governing the uniform administration of sales and use tax laws. Any recommended changes in State sales and use tax laws resulting from the agreement would have to be separately enacted by the Legislature. This bill was enacted as an emergency measure and took effect March 1, 2002.

PUBLIC 526 An Act to Make Minor Substantive Changes to the Tax Laws

LD 1870

Sponsor(s)Committee ReportAmendments AdoptedGAGNONOTP-AMS-429

Public Law 2001, chapter 526 makes minor substantive changes to the tax laws. It accomplishes the following.

- 1. It amends the sales tax law to make it clear that the tax applies to the rental of digital video discs and similar items as well as to the rental of video tapes.
- 2. It repeals the statutory provisions requiring cigarette and tobacco product distribution license fees.
- 3. It amends the income tax credit provided in the Maine Revised Statutes, Title 36, section 5219-R to provide that a credit is not allowed for expenditures incurred prior to January 1, 2000 for tax years beginning on or after January 1, 2001.

PUBLIC 579 EMERGENCY An Act to Change the Standard for Requesting an Adjustment to State Valuation Because of a Sudden and Severe Disruption of Valuation LD 2154

Sponsor(s) Committee Report OTP MAJ
OTP-AM MIN

Public Law 2001, chapter 579 reduces the threshold for requesting an adjustment to state valuation due to a sudden and severe disruption of valuation from a net reduction in valuation of 5% to 2%. This bill was enacted as an emergency measure and took effect March 28, 2002.

PUBLIC 583 EMERGENCY An Act to Amend the Tax Laws

LD 1873

Sponsor(s)
GAGNONCommittee Report
OTP-AMAmendments Adopted
S-444

Public Law 2001, chapter 583 makes the following changes to the laws governing taxation:

- 1. It provides that if a person receives notices of an assessment and does not file a request for reconsideration within the specified time period, the State Tax Assessor may not reconsider the assessment and no review is available in Superior Court, regardless of whether the taxpayer subsequently makes payment and requests a refund.
- 2. It amends the provisions regarding time of filing or payment of taxes to include filing or payment via a delivery service other than the United States Postal Service.
- 3. It amends the provisions regarding levy and sale of property.
- 4. It amends the provisions governing injunctions.
- 5. Effective January 1, 2003, it changes the methods by which the interest rate applied to the late payment of taxes is calculated.
- 6. It amends the definition of "primarily" in the Sales and Use Tax Law.
- 7. It amends the provisions regarding the employment of an assessor by the municipal assessing unit, reporting use tax on individual income tax returns, personal exemptions and the payment of estimated tax.

This bill was enacted as an emergency measure and, except as otherwise indicated, took effect April 1, 2002.

PUBLIC 584 EMERGENCY

An Act to Conform Maine Tax Law to the Federal Mobile Telecommunications Sourcing Act

LD 1871

Sponsor(s) GAGNON

Committee Report
OTP-AM

Amendments Adopted S-481

Public Law 2001, chapter 584 provides standards for determining the state jurisdiction that may tax mobile telecommunications services by conforming Maine's sales and use tax law to the federal Mobile Telecommunications Sourcing Act. This bill was enacted as an emergency measure. It took effect April 1, 2002 and applies to bills issued by providers of telecommunications services after August 1, 2002.

PUBLIC 635 EMERGENCY

An Act to Provide Flexibility in the Rate of Interest Charged on Delinquent Taxes

LD 2166

Sponsor(s) SULLIVAN Committee Report OTP-AM Amendments Adopted H-1028

Public Law 2001, chapter 635 provides an optional calculation for determining municipal interest rates for delinquent property taxes. The amendment permits municipalities to adopt an interest rate that is 2 percentage points higher than the rate established by the Treasurer of State if the rate established by the treasurer is 2 percentage points or more lower than the rate established for the previous year. This bill was enacted as an emergency measure and took effect April 8, 2002.

PUBLIC 642

An Act to Expand the Maine Seed Capital Tax Credit Program

LD 2012

Sponsor(s) TESSIER TURNER Committee Report OTP-AM Amendments Adopted H-1014

Public Law 2001, chapter 642 modifies the Maine Seed Capital Tax Credit Program administered by the Finance Authority of Maine by increasing the tax credit available for investments in businesses located in areas of the State with high unemployment or for investments in private venture capital funds with investments in businesses in those areas. The Act allows investors to obtain a tax credit on investments of up to \$500,000 per company, an increase from \$200,000 per company, and allows each company to receive up to \$5,000,000 in investments for which investors may receive tax credits, up from \$1,000,000. The Act also adds the seed capital investment credit to the list of economic development incentives subject to reporting requirements.

PUBLIC 652 An Act Relating to Tax Expenditure Review and Other Tax Reporting Requirements

LD 2210

Sponsor(s) Committee Report Amendments Adopted

Public Law 2001, chapter 652 was reported out by the Committee pursuant to Resolve 2001, chapter 17. The Act replaces the tax expenditure review process to provide more effective review to tax expenditures and to provide an opportunity for legislative review of the State's tax policy and structure. The Act also repeals several reports to the Legislature by the Bureau of Revenue Services that are duplicative, obsolete or no longer considered necessary.

PUBLIC 669 An Act to Amend the Laws Relating to Development Districts

LD 1966

Sponsor(s)
GAGNONCommittee Report
OTP-AMAmendments Adopted
S-547RICHARDSONS-547

Public Law 2001, chapter 669 reorganizes, clarifies and makes minor substantive changes to the laws relating to municipal development districts and tax increment financing districts.

PUBLIC 700 An Act to Supplement Maine's Academic Attainment and to Retain Talent

LD 2162

Sponsor(s)Committee ReportAmendments AdoptedSAXLOTP-AM MAJH-1055BENNETTONTP MINS-616 COMMITTEE OF CONFERENCE

Public Law 2001, chapter 700 establishes tax credits to promote the postsecondary educational attainment of Maine residents or the recruitment and retention of college-educated persons to work in Maine. To accomplish these purposes, the law enacts the following provisions:

- 1. It provides tax credits against the income tax and the insurance premium tax equal to a portion of the amount contributed to a qualified scholarship organization;
- 2. It provides tax credits against the income tax and the insurance premium tax equal to a portion of the amount paid by an employer to a creditor on behalf of an employee for the purpose of repaying the employee's outstanding postsecondary education loans;
- 3. It provides that the total tax credit may not exceed \$2,000 for an individual taxpayer or \$10,000 for each taxpayer who is a corporation or an employing unit. It also provides that the contribution may not directly benefit the taxpayer claiming the credit or those directly related to a taxpayer that is claiming the credit. It further provides that the tax credits may not reduce the contributor's Maine income tax to less than zero but may be carried over for 5 taxable years;

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- 4. It requires annual reporting of the costs and effectiveness of the tax credit programs by the Finance Authority of Maine, in conjunction with the Department of Administrative and Financial Services, Maine Revenue Services, to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs and the joint standing committee of the Legislature having jurisdiction over taxation matters:
- 5. The tax credit for 2003 tax years takes effect only if there are sufficient funds in the General Fund unappropriated surplus at the close of fiscal year 2001-02 to cover the cost of the tax credits; and
- 6. It requires an advisory council established to address policies related to higher education attainment in the State to review and report on the policy alternatives available to the Legislature in creating an endowment fund for the benefit of eligible residents of the State to meet the high cost of attending an institution of higher education. The joint standing committee of the Legislature having jurisdiction over education and cultural affairs may report out a bill to the Second Regular Session of the 121st Legislature relating to this report.

This bill was jointly referred to the Joint Standing Committee on Education and Cultural Affairs and the Joint Standing Committee on Taxation.

P&S 57 EMERGENCY An Act to Allow the Town of Lincoln to Adjust the Definition of Original Assessed Value for a Downtown Tax Increment Financing District LD 2132

Sponsor(s) CARR CATHCART Committee Report
OTP

Amendments Adopted

Private and Special Law 2001, chapter 57 allows the Town of Lincoln to use the current assessed value of the downtown as of April 1, 2002 for purposes of designating a tax increment financing district between April 1, 2002 and March 31, 2003. This bill was enacted as an emergency measure and took effect March 21, 2002.

P&S 64 EMERGENCY An Act to Establish Municipal Cost Components for Unorganized Territory Services to be Rendered in Fiscal Year 2002-2003 LD 2110

Sponsor(s)

Committee Report OTP-AM Amendments Adopted H-914

Private and Special Law 2001, chapter 64 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory. This bill was enacted as an emergency measure and took effect April 2, 2002.

RESOLVE 73 An Act to Ensure Continued Reporting of Tax Incentive Recipients

LD 1842

Sponsor(s)	Committee Report	Amendments Adopted
GREEN	OTP-AM	H-770

Resolve 2001, chapter 73 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.

RESOLVE 111 Resolve, to Require Agencies to Provide a List of Certain Paperwork Required for Maine Businesses

LD 2044

Sponsor(s)	Committee Report	Amendments Adopted
SULLIVAN	OTP-AM	H-1016
BROMLEY		S-592 GOLDTHWAIT

Resolve 2001, chapter 111 directs state agencies to provide the Secretary of State with a list of licenses, registrations, forms and reports required by the agencies to operate a business or conduct an occupation. The Secretary of State is directed to compile a master list of licenses, registrations, forms and reports and submit the master list to the First Regular Session of the 121st Legislature by January 14, 2003.

RESOLVE 119 Resolve, to Adjust the Valuation of St. John Plantation as a Result LD 2205 of a Fire

Sponsor(s)	Committee Report	Amendments Adopted
MARTIN	OTP-AM	S-615
MICHAUD		S-620 MARTIN

Resolve 2001, chapter 119 reduced the 2002 state valuation of St. John Plantation to \$10,630,000 in recognition of the loss of value resulting from a recent fire. This resolve was finally passed as an emergency measure and took effect April 11, 2002.